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January 13, 2012

VIA ELECTRONIC FILING

Hon. Jaclyn Brilling, Secretary
NYS Public Service Commission
Three Empire State Plaza
Albany, New York 12223

**Re: Case 11-G-0543 - In the Matter of the Commission's Examination of
the Criteria for Interruptible Gas Service**

Dear Secretary Brilling:

Pursuant to the December 14, 2011 "Notice Soliciting Comments" in the above-referenced proceeding, enclosed please find the combined responses of The Brooklyn Union Gas Corporation d/b/a National Grid NY, KeySpan Gas East Corporation d/b/a National Grid, and Niagara Mohawk Power Corporation d/b/a National Grid (collectively, the "Companies") to Staff's questions concerning the Companies' non-firm gas tariffs.

Thank you for your attention to this matter.

Respectfully submitted,

/s/ Philip DeCicco
Philip A. DeCicco

Date of Request: December 14, 2011
Due Date: January 13, 2012

Question No. 1

Case 11-G-0543 - In the Matter of the Commission's Examination of the Criteria for Interruptible Gas Service

Joint Response of The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY), KeySpan Gas East Corporation d/b/a National Grid (KEDLI) and Niagara Mohawk Power Corporation d/b/a National Grid (NMPC) (collectively, the Companies)

Question:

Does your utility currently have interruptible customers? If so, please list the number of customers, the service class(es) and alternative fuel(s). If not, please indicate whether you have ever had interruptible customers and what led to the environment where they no longer exist.

Response:

Yes, the Companies have non-firm customers in the following service classifications:

KEDNY

Service Classification	# of customers
Service Classification No. 5A – On-System Interruptible Sales	0
Service Classification No. 18-5 – Non-Core Transportation Interruptible	6
Service Classification Nos. 6C, 6G, 6M – Temperature Controlled	2,978
Service Classification No. 18-6 Non-Core Transportation Temperature Control	414
Service Classification No. 20 – Non-Core Transportation Service for Electric Generators	3

These non-firm customers primarily rely on No. 2 Oil as an alternate fuel. There are some non-firm customers that utilize No. 6 Oil or No. 4 Oil.

KEDLI

Service Classification	# of customers
Service Classification No. 4 – Interruptible Sales	141
Service Classification No. 7 – Interruptible Transportation	6

Service Classification No. 12 – Temperature Controlled Sales	171
Service Classification No. 13 - Temperature Controlled Transportation	0
Service Classification No. 14 – Non-Core Transportation Service for Electric Generators	10

These non-firm customers have No. 2 Oil as an alternate fuel

NMPC

Service Classification	# of customers
Service Classification No. 4 – Interruptible Sales *	0
Service Classification No. 6 – Interruptible Transportation	20
Service Classification No. 9 – Negotiated Transportation Service	8
Service Classification No. 14 – Gas Transportation Service for Dual Fuel Electric Generators	0

These non-firm customers have No. 2 Oil, No. 4 Oil, No. 6 Oil, propane, diesel, or kerosene as an alternate fuel.

*Note, NMPC no longer offers the SC-4 rate to new customers (Leaf No. 136). The SC-4 rate was grandfathered in the 1990's, at which time there were only 3 customers on this rate.

Name of Respondent:

Dawn Herrity, Lead Analyst – Gas Pricing

Date of Response:

January 13, 2012

Date of Request: December 14, 2011

Question No. 2

Due Date: January 13, 2012

Case 11-G-0543 - In the Matter of the Commission's Examination of the Criteria for Interruptible Gas Service

Joint Response of The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY), KeySpan Gas East Corporation d/b/a National Grid (KEDLI) and Niagara Mohawk Power Corporation d/b/a National Grid (NMPC) (collectively, the Companies)

Question:

Does your utility require interruptible customers to have and maintain a backup fuel? If so, what quantity of backup fuel is required in your tariff leaves? How much of that backup fuel is required to be located on premises? If not, what other means does the utility use to enforce curtailment when an interruption is called?

Response:

Yes, the Companies' tariffs for its non-firm service classes require backup fuel on hand.

Service Class	Standby Fuel Requirement
<u>KEDNY</u> - Interruptible Sales SC 5A (Leaf No. 180), Temperature Control SC-6 (Leaf Nos. 202.1, 205, 211.1, 215, 224.1, 227.2), Transportation Interruptible SC-18-5 and Transportation Temperature Control SC-18-6 (Leaf Nos. 378 and 381.1.1) <u>KEDLI</u> - Interruptible Sales SC-4 (Leaf No. 129), Transportation Interruptible SC 7 (Leaf No. 149), Temperature Control SC-12 (Leaf No. 172.1), Transportation Temperature Control SC-13 (Leaf No. 180)	The tariffs for these service classes require non-firm customers have at least ten days of standby fuel on hand at the beginning of the winter season. If the customer lacks sufficient storage to hold ten days' supply, the customer must enter heating season with filled tanks and replenishment arrangements with suppliers. These requirements do not apply if the customer stipulates in writing that it will shut down operations during periods of interruption.
<u>KEDNY</u> - Transportation for Electric Generation SC-20 (Leaf No. 427.4)	Requires customers have at least five days of standby fuel on hand. This requirement is not applicable if a non-human needs customer stipulates in writing that the

Service Class	Standby Fuel Requirement
<u>KEDLI</u> - Transportation for Electric Generation SC-14 (Leaf No. 187)	customer is willing and able to shut down operations during periods of interruption.
<u>NMPC</u> – Interruptible Sales SC-4 and Interruptible Transportation SC 6 (Leaf Nos. 31-34)	<p>Require 10 days of provable storage capacity and alternate fuel. Customers with available storage capacity of less than 10 days may elect to prove to the Company's satisfaction that the difference between the supply on hand and the 10 days of requirement can be met by an alternate fuel provider. The customer must show that a relationship exists with an alternate fuel provider for the difference between the fuel on hand and the 10 days of requirement. The customer may not rely on spot market purchases for the replenishment of the alternate fuel storage requirement required herein. Customers may elect by 30 days written notice prior to November 1st of each year to curtail their operation when requested rather than be subject to the requirements above. Customers with available alternate fuel storage capacity of less than 10 days full operational levels may elect by 30 days written notice prior to November 1st of each year to curtail its operations (zero gas consumption) to the degree necessary to supplement its primary alternative fuel source so that it can completely interrupt gas consumption for 10 full days rather than be subject to the requirements above.</p>
<u>NMPC</u> – Special Contract SC-9 and Dual Fuel Generators SC-14 (Leaf Nos. 31-34)	<p>Customers are required to maintain 5 days of provable storage capacity and alternate fuel. Customers with less than 5 days of interruptibility will be assigned an alternate fuel requirement on a pro-rata basis. For example, a customer with 3 days of allowed interruptibility would only be required to have 3 days of alternate fuel. Customers whose contracts provide for interruptibility provisions greater than 5 days will only be required to maintain 5 days of alternate fuel.</p> <p>Customers taking service under SC-9 and SC-14, utilizing distillate alternate fuels, may elect by 30 days written notice prior to November 1st of each year to curtail their operation when requested rather than be subject to the requirements above.</p> <p>Customers taking service under SC-9 and SC-14, utilizing distillate alternate fuels, with available alternate fuel</p>

Service Class	Standby Fuel Requirement
	<p>storage capacity that is less than the required alternate fuel storage capacity at full operational levels as listed above may elect by 30 days written notice prior to November 1st of each year to curtail its operations (zero gas consumption) to the degree necessary to supplement its primary alternative fuel source so that it can completely interrupt gas consumption for 5 full days rather than be subject to the requirements outlined above.</p>

Name of Respondent:

Dawn Herrity, Lead Analyst – Gas Pricing

Date of Response:

January 13, 2012

Date of Request: December 14, 2011
Due Date: January 13, 2012

Question No. 3

Case 11-G-0543 - In the Matter of the Commission's Examination of the Criteria for Interruptible Gas Service

Joint Response of The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY), KeySpan Gas East Corporation d/b/a National Grid (KEDLI) and Niagara Mohawk Power Corporation d/b/a National Grid (NMPC) (collectively, the Companies)

Question:

Please explain how your tariff leaves conform to Commission orders on backup fuel requirements for interruptible customers.

Response:

The Companies' non-firm tariffs comply with the relevant requirements of the Commission's interruptible orders with regard to backup fuel, including the Commission's orders in Case 00-G-0996, *In the Matter of Criteria for Interruptible Gas Service* ("Order Directing Utilities To File Revised Interruptible Gas Service Tariffs" (Issued and Effective August 24, 2000), "Order Adopting Permanent Rule" (Issued and Effective January 31, 2001, and Order Approving Staff Recommendations (Issued and Effective October 31, 2001)).

The following is a non-exhaustive list of the back-up fuel requirements and an example of the Companies' corresponding tariff provisions:

Requirement	Sample Tariff Provisions
Interruptible customers must have provable storage capacity and alternate fuel on hand to withstand interruptions of service for at least seven days for Temperature Control customers and ten days for other distillate users. (August 2000 Order, p.26/27)	<p>KEDNY SC-5 Interruptible Sales (Leaf 180)</p> <p>Customers taking service under this service classification must have provable storage capacity and alternate fuel on hand at the beginning of the winter season to withstand interruptions of service for at least ten days. This requirement is for Customers whose alternate fuel is distillate and non-distillate in the case of human needs Customers.</p> <p>KEDLI SC-4 Interruptible Sales (Leaf 129)</p> <p>Unless otherwise expressly authorized by the Company in writing, must have provable storage capacity and alternate fuel on hand to withstand interruptions of service for at least ten days at the beginning of the heating season.</p>

Requirement	Sample Tariff Provisions
	<p>NMPC (Leaf 31.1) SC-4 & SC-6 customers utilizing distillate alternate fuels and Human Needs Customers must maintain 10 days of provable storage capacity and alternate fuel except when the conditions covered under 3.4.1.1 and 3.4.1.2 below occur.</p>
<p>If the interruptible customer lacks sufficient storage to hold either seven or ten days of supply, interruptible customers must enter the heating season with filled tanks and arrangements, suitable to the utility but not dependant upon spot market purchases, for replenishment of storage tanks such that the initial storage plus replenishment equals storage inventory for its type of service. (August 2000 Order, p.26/27)</p>	<p>KEDNY SC-5 Interruptible Sales (Leaf 180) If Customer lacks sufficient storage to hold ten days of supply, Customer must enter the heating season with filled tanks and arrangements providing for replenishment of storage tanks such that the initial storage plus the replenishment equals the required storage inventory. However, this will not apply if the Customer stipulates in writing that the Customer is willing and able to shut down during periods of interruption.</p> <p>KEDLI SC-4 Interruptible Sales (Leaf 129) If Customer lacks sufficient storage to hold ten days of supply, Customer must enter the heating season with filled tanks and arrangement providing for replenishment of storage tanks such that the initial storage plus the replenishment equals the required storage inventory. This requirement is for Customers whose alternate fuel is distillate and non-distillate in the case of human needs Customers.</p> <p>NMPC (Leaf 31.1) Customers with available storage capacity of less than 10 days may elect to prove to the Company's sole satisfaction that the difference between the supply on hand and the 10 days of requirement can be met by an alternate fuel provider. The customer must show that a relationship exists with an alternate fuel provider for the difference between the fuel on hand and the 10 days of requirement. The customer may not rely on spot market purchases for the replenishment of the alternate fuel storage requirement required herein.</p>
<p>Tariffs to provide procedures for utilities to perform preseason evaluations of interruptible customer preparedness. (August 2000 Order, p.26)</p>	<p>KEDNY SC-6C Temperature Controlled (Leaf 203) & KEDLI SC-12 Temperature Controlled (Leaf 172.1) The consumer agrees to permit access by the Company's employees or representatives, at all times, to the consumer's premises for the purposes of (i) inspection and testing all dual fuel equipment and associated control devices and (ii) the measurement and verification of dual-fuel consumption.</p>

Requirement	Sample Tariff Provisions
	NMPC (Leaf 35) The Company will conduct an on-site inspection of a random sampling of interruptible customers taking service under SC-4, SC-6, SC-9 and SC-14 in order to verify the alternate fuel requirements set forth [above].

Name of Respondent:

Dawn Herrity, Lead Analyst – Gas Pricing

Date of Response:

January 13, 2012

Date of Request: December 14, 2011
Due Date: January 13, 2012

Question No. 4

Case 11-G-0543 - In the Matter of the Commission's Examination of the Criteria for
Interruptible Gas Service

**Joint Response of The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY),
KeySpan Gas East Corporation d/b/a National Grid (KEDLI) and Niagara Mohawk
Power Corporation d/b/a National Grid (NMPC) (collectively, the Companies)**

Question:

Do your tariff leaves have a provision allowing a customer to provide an affidavit in lieu of keeping backup fuel tanks full, as described in the August 2000 Order? If so, what customers are eligible to file affidavits?

Response:

Yes, as stated in the response to Question No. 2, all of the Companies' non-firm tariffs allow for customers to stipulate in writing that, in lieu of keeping backup fuel tanks full, they are willing and able to discontinue operations during periods of interruption.

Name of Respondent:
Dawn Herrity, Lead Analyst – Gas Pricing

Date of Response:
January 13, 2012

Date of Request: December 14, 2011
Due Date: January 13, 2012

Question No. 5

Case 11-G-0543 - In the Matter of the Commission's Examination of the Criteria for Interruptible Gas Service

Joint Response of The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY), KeySpan Gas East Corporation d/b/a National Grid (KEDLI) and Niagara Mohawk Power Corporation d/b/a National Grid (NMPC) (collectively, the Companies)

Question:

Does your utility perform checks of the backup fuel tank? If so, when and at what intervals? If not, how does the utility know if the customer has complied?

Response:

KEDNY & KEDLI

The Companies perform annual tests of all non-firm customers' switch-over capability to alternate fuels during the annual compliance testing. In instances where a non-firm customer fails the switch-over test (and when non-firm customers fail to switch-over during periods of interruption), the Companies perform a site visit to inspect the customer's equipment and back-up fuel supply capabilities.

KEDNY/KEDLI annually send letters to non-firm customers informing them of the annual test of switch-over compliance and their responsibilities under the non-firm tariffs. On December 8, 2011, KEDLI conducted its annual system-wide test of the non-firm customers' switch-over compliance. KEDNY conducted its annual test on December 13, 2011.

NMPC

NMPC annually sends an Alternative Fuel Source Verification (AFSV) form to each interruptible customer requiring the customer to indicate their alternative fuel source (No. 2 fuel oil is the presumed fuel for customers that do not return the AFSV form). The Company then sends customers an Alternate Fuel Source Requirements (AFSR) form that sets forth the customer's alternative fuel source storage capacity requirement, as designated by the Company. The customer is required to return the AFSR form specifying their total on-site alternative fuel storage capacity. The customer must also select one of the following three options to satisfy its alternative fuel source requirements:

1. Fill on-site storage and enter into a contractual relationship with a fuel supplier (if necessary);
2. Curtail operations to meet the available on-site storage; or
3. Shut down operations.

These tasks are completed prior to November 1st of each year. Copies of the AFSV and AFSR forms are attached as Exhibit A.

Name of Respondent:

Dawn Herrity, Lead Analyst – Gas Pricing

Date of Response:

January 13, 2012

Date of Request: December 14, 2011
Due Date: January 13, 2012

Question No. 6

Case 11-G-0543 - In the Matter of the Commission's Examination of the Criteria for
Interruptible Gas Service

**Joint Response of The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY),
KeySpan Gas East Corporation d/b/a National Grid (KEDLI) and Niagara Mohawk
Power Corporation d/b/a National Grid (NMPC) (collectively, the Companies)**

Question:

Explain the series of events used by the utility when an interruption is called. For example, include such steps as how and when the information is relayed to the customer; how and when the company identifies that a customer is not in compliance. What contact information is obtained from the customer at the time of application for use prior to an interruption? Please provide a copy of the application showing the request for this information.

Response:

KEDNY/KEDLI

Temperature Controlled: Automatic Switch-Over Equipment

For Temperature Controlled customers with automatic switch-over equipment, when the Companies receive a report that the temperature in Central Park has reached the designated interruption temperature, the Companies will remotely switch over the customers' equipment to an alternate fuel (a "company initiated interruption"). The Companies will endeavor to provide customers with sufficient advance notice of company initiated interruptions.

In the event of a company initiated interruption (even if the customer's equipment had already switched over on its own because the local outside temperature reached the designated interruption temperature), there will be a remote switch over of the customers' equipment back to natural gas once the Central Park temperature reaches the designated resumption temperature. If there was no remote switch over and the customer's equipment switched over because the local outside temperature reached the designated interruption temperature, the customers' equipment will be switched back to natural gas once the local outside temperature reaches the designated resumption.

Temperature Controlled: Semi-Automatic Switch-Over Equipment

For Temperature Control customers with semi-automatic equipment, when the Companies receives a report that the Central Park temperature has reached the designated interruption temperature, the Companies will remotely activate an alarm at the semi-automatic customer's

sites notifying these customers to manually switchover to an alternate fuel. If the alarm was activated remotely, the customer may manually switch back to natural gas once the Central Park temperature reaches the designated resumption temperature for customers. If the local outside temperature reached the designated interruption temperature and the designated interruption temperature had not been reached at Central Park, the customer may manually switch back to natural gas once the local outside temperature reaches the designated resumption temperature.

KEDNY/KEDLI's M2M system is designed to alert the Companies in instances where TC customers are burning gas during interruption periods. Customer Meter Services will query the M2M system to determine customer response to the called interruption and to identify any instances of local equipment issues (e.g., power failures). Customers identified as having power failures will have technicians dispatched to re-power the M2M equipment. If the Companies receive a report from the M2M system that a TC customer is burning gas during an interruption period, a technician is dispatched to the customer as soon as practicable to determine if there are any equipment issues and/or insufficient backup fuel supplies on hand. The Companies' tariffs provide that customers who fail to interrupt will be issued warning letters advising that they are in violation of the tariff and that penalty¹ and non-compliance charges will be imposed.

If temperatures are forecasted to reach designated interruption temperatures, the Company will endeavor to notify TC customers via a "call out" distributed by Dayvox (NYC) and Century 21 (LI). Similarly, if the Companies anticipate the need to call on peaking supplies for peak shaving (which is typically done day-ahead), they will endeavor to notify non-firm customers of the need to switch to their alternate fuel effective the next day.

Interruptible Customers (KEDNY SC-5 & SC-18; KEDLI SC-4 & SC-7)

For KEDLI/KEDNY's interruptible customers, the Companies' tariffs currently provide for the following with regard to the procedure for interrupting customers:

In the event that the Company calls on peaking supplies to serve firm customers or if the Company, at its sole discretion, determines that it is warranted to protect the reliability and safety of the system for firm Customers, the Company will interrupt service to all Customers on this service classification. The Company will endeavor to provide notification (within two hours) of this scheduled interruption. Upon receipt of such notice, the Customer shall curtail or discontinue use of gas as instructed by the Company (see Special Provisions). [KEDNY Leaf Nos. 175, 371; KEDNY Leaf Nos. 129, 150]

Attached as Exhibit B are copies of KEDNY/KEDLI's form applications for non-firm service.

¹ For gas consumed in excess of two therms per hour in violation the tariffs, penalty charges of either (1) two times the sum of the Market Price for natural gas delivered to the Company's city gate on the day of violation plus the transportation rate the Customer would be subject to if it was a transportation customer, or (2) nine times the applicable sales rate, whichever is higher. (KEDNY Leaf 204; KEDLI Leaf 133)

NMPC

If NMPC's Gas Control Department identifies and confirms the existence of an actual or potential on-system problem requiring an interruption, they, along with Gas Supply Planning and Customer Choice, will identify those interruptible customers that must be interrupted to minimize the potential disruption of gas service to firm customers. The Gas Control Department will then advise the appropriate Company customer representative which customers will be interrupted, and the estimated duration of the interruption. The Company's customer representatives will contact the affected interruptible customers, notifying them of the requirement to reduce consumption. After communicating with the interruptible customers, customer representatives will let the Gas Control Department know the expected reduction in consumption. During the interruption period, customer representatives may contact the Gas Control Department for an assessment of system conditions, and advise the customers as required. Upon notification from the Gas Control Department that the situation has been resolved, customer representatives will initiate load restoration with the customers that were affected by the interruption.

Attached as Exhibit B are copies of the application for interruptible service. Information collected by NMPC for each interruptible customer for use during interruptions includes: the customer's Maximum Peak Day Quantity, primary and secondary contacts and their Company Account Representative.

Name of Respondent:

Dawn Herrity, Lead Analyst – Gas Pricing

Date of Response:

January 13, 2012

Date of Request: December 14, 2011

Question No. 7

Due Date: January 13, 2012

Case 11-G-0543 - In the Matter of the Commission's Examination of the Criteria for Interruptible Gas Service

Joint Response of The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY), KeySpan Gas East Corporation d/b/a National Grid (KEDLI) and Niagara Mohawk Power Corporation d/b/a National Grid (NMPC) (collectively, the Companies)

Question:

List all interruptions called during the last three years and a list of how many customers were not in compliance during each of those interruptions. For each interruption, provide its duration and cause (e.g., pipeline OFO, severe weather, etc.) and the number of customers who were penalized for non-compliance along with the associated penalty for each penalized customer. It is not necessary to identify individual customers in your response.

Response:

KEDNY and KEDLI

On January 4, 2012, KEDNY/KEDLI remotely switched over TC customers (and activated the alarm for semi-automatic customers) when weather reports indicated that the temperature in Central Park reached the designated interruption temperature. This interruption was from 12:20 a.m. to 12:20 p.m. For KEDNY, there were 31 customers that failed to switch to their alternate fuel following the interruption. For KEDLI, there were 25 customers that failed to switch to their alternate fuel. The associated penalties for non-compliance are attached as Exhibit C.

As discussed in the response to Question No. 5, KEDNY/KEDLI also perform annual system-wide test interruptions to assess non-firm customers' ability to switch-over to alternate fuels during an actual interruption. The associated penalty for each of the tests is attached. Non-compliance charges for these customers are also attached as Exhibit C.

Test Date	Instances of Non-Compliance
January 4, 2012 - KEDLI	Twenty-five customers failed to switch to their alternate fuel.
January 4, 2012 - KEDNY	Thirty-one customers failed to switch to their alternate fuel.
December 13, 2011 - KEDNY	Forty-five customers were identified as violators during the test. The associated

	penalty for forty-three customers is attached (two customers had their penalties reversed following an investigation that revealed their failure was due to the Company's equipment).
December 8, 2011 - KEDLI	Fifteen customers were identified as violators during the test.
February 9 – 10, 2011 – NMPC Gas	Two SC 4 customers consumed 14.4 dth during this interruption and were penalized \$25/dth.
January 21 – 24, 2011 – NMPC Gas	One SC 4 customer consumed 5.1 dth during this interruption and was penalized \$25/dth.
December 9, 2010 - KEDLI	Four customers were identified as violators during the test.
December 7, 2010 - KEDNY	Forty-two customers were identified as violators during the test.
November 9, 2010 KEDNY	Pretest was done for past violators and six customers failed.
January 29 – 31, 2010 – NMPC Gas	Two SC 4 customers consumed 3 dth each and were penalized \$25/dth.
November 12, 2009 - KEDLI	There were no violators during the test.
November 10, 2009 – KEDNY	Twenty-three customers were identified as violators during the test.

While there were no other company-initiated interruptions to TC or interruptible sales or transportation service customers, KEDNY/KEDLI utilizes a system of local, automated TC temperature probes to shed load when temperatures reached designated interruption temperatures. There are approximately 3,500 TC customers with temperature probe equipment designed to automatically switch customers to back-up fuel supplies when site temperatures reach the designated interruption temperature.

During this three-year period, KEDNY/KEDLI also issued several balancing and maintenance operational flow orders (OFOs). These OFO were issued on the following dates:

Balancing OFOs	1/11 to 1/13/09, 1/24 to 1/26/09, 1/5 to 1/11/10, 1/29 to 2/1/10, 2/6 to 2/8/10, 1/13 to 1/18/11, 1/21 to 1/25/11, 2/3 to 2/4/11, 2/9 to 2/11/11
Maintenance OFOs - Tetco Critical Constraints	4/21 - 4/22/2010 (OFO for non-firm, due to company work) 5/20 - 5/23/2011 (critical restraint) 10/14 - 10/20/2011 (narrows work, can nom on Transco)

Maintenance OFOs - TGP	11/17 - 11/18/2011 (shut-in) 11/22 - 11/25/2011 (no noms accepted) 12/05 - 12/06/2011 (no intraday noms)

A summary of the associated penalty billing for these OFOs is attached hereto as Exhibit C.

NMPC

NMPC interrupted customers on the following occasions:

Service Classification	Interruptions
SC-4 : Large Volume Interruptible Sales	<p>For winter 2009/2010, the Company interrupted once for the period January 29, 2010 through and including January 31, 2010.</p> <p>For winter 2010/2011, the Company interrupted on two occasions: (i) January 21, 2011 through and including January 24, 2011 and (ii) February 9, 2011 through and including February 10, 2011.</p>
SC-6: Large Volume Interruptible Transportation	The Company did not interrupt any of them for the winters of 2008/2009, 2009/2010 or 2010/211. We relied on issuing OFO's for load reduction purposes.
SC-9 Negotiated Transportation	<p>2010/2011 – interrupted two SC-9 customers for 24 hrs (on January 23rd); full compliance with interruption orders in all cases. Extreme cold weather during this event as well as DTI having an hourly OFO in place.</p> <p>2009/2010 – there were not any Peak Shaving or interruptions.</p> <p>2008/2009 – interrupted one SC-9 customer for 4 hours (6am-10am) on Jan 15th & 16th; full compliance with interruption orders in all cases. Extreme cold weather during this event as well as DTI having an hourly OFO in place.</p>

Name of Respondent:

Date of Response:

Dawn Herrity, Lead Analyst – Gas Pricing

January 13, 2012

Date of Request: December 14, 2011
Due Date: January 13, 2012

Question No. 8

Case 11-G-0543 - In the Matter of the Commission's Examination of the Criteria for
Interruptible Gas Service

**Joint Response of The Brooklyn Union Gas Company d/b/a National Grid NY,
KeySpan Gas East Corporation d/b/a National Grid and Niagara Mohawk Power
Corporation d/b/a National Grid (collectively, the "Companies")**

Question:

Please describe what requirements regarding backup fuel are waived for certain customers and not others, and why those waivers are allowed.

Response:

The Companies' response to Question 2A describes the backup fuel requirements that can be waived under the Companies' non-firm tariffs. As discussed in that response, the Companies' tariffs allow for waivers of the standby fuel requirements under limited circumstances. For example, customers that have backup fuel tanks that do not have the capacity to hold the requisite amount of backup fuel may secure a waiver if the customer stipulates in writing that it will shut down operations (i.e., not burn gas) during periods of interruption.

Name of Respondent:

Dawn Herrity, Lead Analyst – Gas Pricing

Date of Response:

January 13, 2012

Date of Request: December 14, 2011
Due Date: January 13, 2012

Question No. 9

Case 11-G-0543 - In the Matter of the Commission's Examination of the Criteria for
Interruptible Gas Service

**Joint Response of The Brooklyn Union Gas Company d/b/a National Grid NY,
KeySpan Gas East Corporation d/b/a National Grid and Niagara Mohawk Power
Corporation d/b/a National Grid (collectively, the "Companies")**

Question:

Please describe how your utility's gas supply situation has changed in the last ten years, and whether you feel the backup fuel requirements for interruptible customers are more or less important than they were ten years ago.

Response:

In the last ten years, the upstream gas supply landscape has changed dramatically in terms of availability/diversity of supply; however, the need for backup fuel requirements for non-firm customers is no less important than it was ten years ago. While several new and prolific gas supply basins are now accessible to the Companies, the challenge continues to be the "last mile" to get incremental volumes to the Companies' distribution system. Over the last decade, incremental capacity to the Companies' citygates has been added to meet firm load growth through pipeline projects sized to meet those contracted volumes. Notwithstanding, the Companies do not procure any additional capacity to serve non-firm customers. Therefore, it is imperative that non-firm customers maintain backup fuel requirements as there are circumstances when these customers' gas service must be interrupted for supply and/or distribution related system issues.

Name of Respondent:
Elizabeth Arangio, Director – Gas Supply Planning

Date of Response:
January 13, 2012

Date of Request: December 14, 2011
Due Date: January 13, 2012

Question No. 10

Case 11-G-0543 - In the Matter of the Commission's Examination of the Criteria for
Interruptible Gas Service

**Joint Response of The Brooklyn Union Gas Company d/b/a National Grid NY,
KeySpan Gas East Corporation d/b/a National Grid and Niagara Mohawk Power
Corporation d/b/a National Grid (collectively, the "Companies")**

Question:

Please describe any reliability issues during peak day on your utility's system that requires more or less stringent backup fuel requirements for interruptible customers.

Response:

If the Companies were to experience a peak day on their system, all supplies in the gas portfolio would be needed to serve customer demand on that day and there would be no excess supply available to serve non-firm customers. So it is important that all customers have adequate backup fuel supplies in these instances.

Notwithstanding, the quantities of gas burned by customers served from the Companies' transmission system are not likely to cause system reliability issues. Accordingly, the Companies could support less stringent backup fuel requirements for customers served directly from the Companies' transmission system.

In contrast to the Companies' transmission system, the distribution system has limited capacity and, therefore, is more prone to system reliability issues during peak load periods. While the inability of any single customer to switch to its alternate fuel supply is not likely to have an impact on system reliability, the aggregate demand of non-firm customers (or a group of non-firm customers within a local area) can have an impact on system reliability. These customers must have adequate backup fuel supply so as to allow for interruption during periods of peak demand. Accordingly, the Companies believe the current backup fuel requirements, and equipment testing procedures, are necessary to ensure system reliability and safety for customers that are not served directly from the Companies' transmission system.

Name of Respondent:

Elizabeth Arangio, Director – Gas Supply Planning
Thomas Amerige, Director – Gas Control and Meter Data Services

Date of Response:

January 13, 2012

Date of Request: December 14, 2011
Due Date: January 13, 2012

Question No. 11

Case 11-G-0543 - In the Matter of the Commission's Examination of the Criteria for
Interruptible Gas Service

**Joint Response of The Brooklyn Union Gas Company d/b/a National Grid NY,
KeySpan Gas East Corporation d/b/a National Grid and Niagara Mohawk Power
Corporation d/b/a National Grid (collectively, the "Companies")**

Question:

Please describe any customer types for which your utility would feel more comfortable waiving certain backup fuel requirements.

Response:

The Companies believe that power generation customers should not be subject to back-up fuel requirements. These customers typically contract for their own gas supply. Moreover, as a condition of service, the Companies require that remotely operated valves be installed on these customers' service laterals. The Companies would also support the waiver of backup fuel requirements for IT process load customers whose operations could be shut down during critical peak load periods.

Name of Respondent:
Dawn Herrity, Lead Analyst – Gas Pricing

Date of Response:
January 13, 2012

Date of Request: December 14, 2011
Due Date: January 13, 2012

Question No. 12

Case 11-G-0543 - In the Matter of the Commission's Examination of the Criteria for
Interruptible Gas Service

**Joint Response of The Brooklyn Union Gas Company d/b/a National Grid NY,
KeySpan Gas East Corporation d/b/a National Grid and Niagara Mohawk Power
Corporation d/b/a National Grid (collectively, the "Companies")**

Question:

What customers should be eligible to file an affidavit in lieu of filling fuel tanks? Please specify customer type (residential, commercial or industrial), service classification, customer load, SIC code, or any other clarifying criteria.

Response:

The Companies feel their current tariffs are sufficient with regard to customer eligibility to file an affidavit in lieu of filling fuel tanks. Specifically, the Companies believe that commercial/industrial, non-human needs customers who can clearly demonstrate the ability to cease operations during periods of interruption should be eligible to file an affidavit. Customers with seasonal operations that are unlikely to be consuming significant quantities of gas during peak winter months would be especially good candidates.

Name of Respondent:
Dawn Herrity, Lead Analyst – Gas Pricing

Date of Response:
January 13, 2012

Case 11-G-0543 - In the Matter of the Commission's Examination of the Criteria for Interruptible Gas Service

Joint Response of The Brooklyn Union Gas Company d/b/a National Grid NY (KEDNY), KeySpan Gas East Corporation d/b/a National Grid (KEDLI) and Niagara Mohawk Power Corporation d/b/a National Grid (NMPC) (collectively, the Companies)

EXHIBITS

The following exhibits are attached hereto and included as part of the Companies' responses:

- Exhibit A:** Question No. 5: NMPC's Sample Alternate Fuel Source Verification and Alternate Fuel Source Requirements Forms
- Exhibit B:** Question No. 6: Companies' Applications for Non-Firm Service
- Exhibit C:** Question No. 7: Penalty Billing for Failure to Interrupt

Exhibit A: Response to Question No. 5

NMPC's Sample Alternate Fuel Source Verification and Alternate Fuel Source Requirements Forms

Dear <Mr./Ms. XXXXX>:

On August 24, 2000, the NYS Public Service Commission issued an Order that established the Criteria for Interruptible Gas Service. This Order requires National Grid to complete the following items on a yearly basis:

- Verify a customer's alternative fuel source,
- Establish an alternative fuel source requirement specified under Rule 3 of PSC Tariff No. 219 Gas for eligible customers, and
- Perform an on-site audit to verify compliance with the alternative fuel source requirements.

Customers meeting the following criteria are subject to the alternative fuel source requirements:

- Customer receiving gas service from National Grid under S.C. Nos. 4, 6, 9, or 14, and having an alternative fuel source of either Fuel Oil No. 2, diesel, or kerosene, or
- Customer receiving gas service from National Grid under S.C. Nos. 4, 6, 9, or 14, and providing gas service to a Human Needs facility (as defined in PSC Tariff No. 219).

Customers subject to these requirements receiving gas service from National Grid under S.C. Nos. 4 or 6 are required to have 10 days of alternative fuel source requirements. Customers subject to these requirements receiving gas service from National Grid under S.C. Nos. 9 or 14 are required to have 5 days of alternative fuel source requirements.

National Grid requests that you complete and return the following:

- **Year 2011 Alternative Fuel Source Verification form no later than October 1, 2011**
- **Year 2011 Alternative Fuel Source Requirements form no later than October 15, 2011 (if applicable).**

National Grid has already calculated the Required Number of Gallons of Alternative Fuel Source for the winter season 2010-2011 in anticipation that you would be subject to Rule 3 and be required to complete the Year 2010 Alternative Fuel Source Requirements form. I will be contacting you in the fall of 2010 to arrange for an on-site audit to verify compliance with the Alternative Fuel Source Requirements. This on-site audit will not be required in the event an Officer of your company signs the Year 2010 Alternative Fuel Source Requirements Form.

If it is determined that you are not subject to Rule 3, based on our review of your completed Year 2011 Alternative Fuel Source Verification form, you will be notified that the completion of the **Year 2011 Alternate Fuel Source Requirement** form will not be necessary.

National Grid thanks you for your cooperation and I encourage you to contact me at (XXX) ###-#### should you have any questions.

Sincerely yours,

Exhibit A, cont.

Alternative Fuel Source Verification



National Grid (the Company), as a condition of PSC Tariff No. 219, General Information Rule No. 3, requires interruptible sales or transportation customers to identify (a) your facility's primary alternative fuel source that would allow you to operate your facility in the event that the Company was required to interrupt sales or transportation service to your facility and (b) your facility's total combined estimated load in Therms. You are requested to complete the required data fields identified below. The customer's failure to return this form back to the Company by October 1st will result in the Company classifying the customer as utilizing Fuel Oil #2 as the primary alternative fuel source. Please return or fax this form to the address identified below:

National Grid
ATTN:

Required Data to be completed by the Customer

Customer Name: _____

Customer Facility: _____

Address (Street / PO Box): _____

State / Zip Code: _____

Indicate the Alternate Fuel Source (Please place an "X" in the appropriate ballot box):

_____ Fuel Oil No. 2 _____ Fuel Oil No. 4 _____ Fuel Oil No. 6 _____ Diesel
_____ Propane _____ Kerosene _____ Other (please specify) _____

Indicate the facility's total combined annual estimate load (natural gas and other alternative fuels in Therms:

_____ 0 to 3,000,000 Therms _____ 3,000,000 to 12,000,000 Therms
_____ 12,000,000 to 20,000,000 Therms _____ Greater than 20,000,000 Therms

The Customer, if requested by the Company, shall be prepared to provide documentation acceptable to the Company validating their selection of alternative fuel source.

Customer Name and Title: _____

Customer Signature: _____

Date: _____

Exhibit A, cont.

Alternative Fuel Source Requirements



National Grid (the Company) has determined that your facility identified below meets the Alternative Fuel Source requirements outlined in PSC Tariff No. 219, Rule No. 3.4. You are requested to complete the required fields below. Failure to return this form back to the Company by October 15th will subject your facility to the penalty provisions identified within Rule 3.4. Please return or fax this form to: National Grid, ATTN:

Customer Facility Name:

Customer Facility Address:

National Grid Assigned Alternative Fuel Source Storage Capacity Requirements

The Company has assigned below your facility's alternative fuel source storage capacity requirements. Your facility has the opportunity to contest the alternative fuel source calculation, as defined in Rule 3 of PSC Tariff No. 219, Alternative Fuel Source Requirements, by providing documentation to your National Grid Energy Consultant, within 10 days of receipt of letter, as to why they believe the alternative fuel source requirement should be changed. The Company will have 5 days to respond to the customer, and the Company shall have the sole authority to accept or reject the Customers request for an alternative fuel source value.

Required number of gallons of alternate fuel source

Gallons

Required Data to be completed by Customer

Customer's total capacity (in Gallons) for on-site alternative fuel source storage capacity

Gallons

Customer Verification of Alternative Fuel Source Requirements: (place an "X" in the appropriate ballot box):

☐

Option A: I certify that my facility, prior to November 1 of the current winter heating season, has sufficient alternative fuel source storage capacity and/or has entered into a relationship with an alternative fuel source provider to supply the difference between on-site storage capacity and the Company's determined alternative fuel source requirements specified above and as defined in Rule 3 of the Tariff. If requested by the Company I shall provide documentation to substantiate the storage capacity and/or relationship with an alternative fuel source provider as defined in Rule 3 of the Tariff.

☐

Option B: I elect, prior to November 1 of the current winter heating season, to curtail my facility's operations when requested rather than be subject to the requirements outlined in rule 3.4. Failure to comply completely with an interruption request will subject the customer to penalty charges outlined in Rule 3.4.4. Curtailment of a Customer's operation shall be defined to mean that zero gas consumption is recorded on the Customer's meter for the applicable interruption period. For Customers with both interruptible and firm loads, curtailment of the Customer's operations shall be defined to mean that zero gas is consumed for the interruptible portion of the Customer's load. The Customer must accomplish this zero gas consumption for the duration of the interruption period by curtailing the operation of its facility rather than switching to its primary alternative fuel source.

☐

Option C: I certify that my facility's available alternative fuel storage capacity is less than the required alternative fuel storage capacity at full operational levels and I elect, prior to November 1 of the current winter

heating season, that I will curtail my facility's operations to a reduced level to the degree necessary to supplement its primary alternative fuel source so that it can completely interrupt gas consumption for 10 full days (or 5 full days for customers taking transportation service under SC-9 or SC-14) rather than be subject to the requirements outlined in the Rule 3.4. Failure to comply completely with an interruption request will subject the customer to penalty charges outlined in Rule 3.4.4. Curtailment of a Customer's operation shall be defined to mean that zero gas consumption is recorded on the Customer's meter for the applicable interruption period. The Customer must accomplish this zero gas consumption for the duration of the interruption period by reducing/curtailing the operation of its facility for the portion of their requirements that exceeds the Customer's available alternative fuel source storage capacity rather than switch to its primary alternative fuel source.

Customer Name:	Customer Title:
Customer Signature:	Date:

This application must be completed by all applicants for Non-Residential gas service. Should you not have the necessary Requirements for Non-Residential Service available, service will be deferred until you return to National Grid with them. These Requirements for Non-Residential Service will be/are checked below.

Our representatives are available to answer your questions concerning this Application.

Requirements for Non-Residential Service

- ☐ A Completed Application for Non-Residential Service form, and
- ☐ a *lease* or a notarized letter from the landlord stating responsibility including the date of your responsibility *or a recorded deed* listing date filed and the county *or a letter from your lawyer* stating full details of the sale, date filed and the county, and
- ☐ a security deposit may be required.
- ☐ Proper identification is required — photo ID, valid driver's license, etc.
- ☐ A notarized power of attorney letter will be required if applicant is not an authorized representative of the applicant (Non-Corporation) or a notarized letter of authorization if applicant is not an authorized officer of the Corporation.
- ☐ Information concerning other gas accounts under the applicant's name (Corporation and Non-Corporation).

For Corporations:

- ☐ Corporate papers – certificate of incorporation, corporate resolution, the filing date, county of filing and state seal, complete list of corporate officers, their titles, home addresses and corporate bank references, and
- ☐ utility bills (dated within the last two months) as proof of your address, if appropriate.

For Non-Corporations:

- ☐ Bill of sale or proof of purchase of business/equipment, if applicable.
- ☐ Bulk transfer notice, if applicable.
- ☐ Business certificate filed with the City of New York.
- ☐ If an individual, you will be required to present one of the following as proof of your home mailing address:
 - postmarked envelope (dated within the last two months)
 - utility bills (dated with the last two months)
 - voter's registration card
 - driver's license

I. GENERAL INFORMATION

(Please Complete in Pen Only)

Applicant Information

Account Name: _____ Bus. Tel. No.: _____

Service Address: _____ Borough: _____ Zip: _____

Mailing Address *(if different from above)*: _____

c/o Name: _____ Home. Tel. No.: _____

Address: _____ City: _____ State: _____ Zip: _____

Principal Officers, Partners or Owners of Business:

☐ Corporation ☐ Partnership ☐ Individual ☐ Veterans' Organization ☐ Other: _____

1. Name: _____ Title: _____

Home Address: _____ Tel. No.: _____

City: _____ State: _____ Zip: _____ Soc. Sec. No.: _____

2. Name: _____ Title: _____

Home Address: _____ Tel. No.: _____

City: _____ State: _____ Zip: _____ Soc. Sec. No.: _____

3. Name: _____ Title: _____

Home Address: _____ Tel. No.: _____

City: _____ State: _____ Zip: _____ Soc. Sec. No.: _____

Managing Agents – Trustees – Receiverships – Estates:

1. Managing Agents Name: _____

Owner's Contract – Date of Contract: _____ Signed by: _____

Owner's Home Address: _____

City: _____ State: _____ Zip: _____

2. Trustee/Executor/Receiver

Date Signed: _____

Name: _____ Court Index No.: _____

Judge's Name: _____ County of: _____

Date Estate Established: _____

Lawyer's Name: _____ Tel. No.: _____

Address: _____ State: _____ Zip: _____

II. BANK REFERENCE

Name of Bank: _____ Branch Address: _____

City: _____ State: _____ Zip: _____

Name Account Carried in: _____ Account No.: _____

Type of Account: _____

III. SERVICE CLASSIFICATION (BILLING RATE)

It is important to answer the following questions accurately to assist us in determining the proper and most beneficial service classification for your account.

The cost of gas service may vary depending on the service classification. There are eligibility requirements for each service classification and you may qualify for more than one. One service classification may be more beneficial than another. **If you are a veterans' organization, you may be eligible for a Residential Rate, which may be more beneficial.**

In classifying your service, we may rely on the information that you provide us. If you provide inaccurate or incomplete information and we backbill your account under the correct service classification, you may not be eligible for a refund of any overcharges.

If your use of gas service or gas equipment changes in the future, you must notify National Grid so that you may be properly billed. A brochure which explains the common Non-Residential service classifications is provided with this application. Questions about service classification may be discussed with our customer representatives. Our tariff, which is on file in every Customer Office, describes each service classification in detail and may be examined upon request.

A. Appliances in Use *(Please Check)*

- | | |
|--|--|
| <input type="checkbox"/> Central Heat | <input type="checkbox"/> Commercial Cooking with ____ Ranges |
| <input type="checkbox"/> Space Heating with ____ Units | <input type="checkbox"/> Dryers ____ |
| <input type="checkbox"/> Oil Burner Pilot | <input type="checkbox"/> Gas Air Conditioning |
| <input type="checkbox"/> Water Heating | <input type="checkbox"/> Other <i>(Explain)</i> _____ |

B. Type of Dwelling

- | | |
|---|---|
| <input type="checkbox"/> Multi-Family with ____ # of apartments | <input type="checkbox"/> Store |
| <input type="checkbox"/> Factory | <input type="checkbox"/> Other <i>(Explain)</i> _____ |
| <input type="checkbox"/> Warehouse | |

C. General Service Classification Questions

1. Is the same gas equipment being used as for the prior customer? ☐ Yes ☐ No
2. Total BTU input of your gas equipment: _____
3. Describe type of business (i.e., restaurant, laundromat, etc.): _____

4. Is premises owned or operated by a religious institution where gas is used predominantly for religious purposes?
☐ Yes ☐ No
5. Is premises a community residence for the mentally ill, operated by a non-for-profit corporation and does not have staff on premises 24 hours a day? ☐ Yes ☐ No

D. Other Account Information

1. Is access to your meter controlled by another party? ☐ Yes ☐ No
Name of Access Controller: _____
Address: _____
Borough: _____ State: _____ Zip: _____
Tel. No.: _____ National Grid Account No.: _____
2. What is the tax exemption status of your business? *(Please attach copy of exemption certificate, if applicable):*
☐ Taxable ☐ Non-Taxable ☐ Partial Tax Exempt
Tax Identification Number: _____

3. Do you currently have another Non-Residential account with National Grid? ☐ Yes ☐ No

Have you had a Non-Residential account with National Grid before? ☐ Yes ☐ No

Name of Current or Prior Account: _____

Address: _____

Borough: _____ Zip: _____ Account No.: _____

E. Request for Inspection

The applicant has the right to request an inspection of the metering device to assure accuracy. A meter inspection will be provided if you check this box.

☐ Meter Inspection requested

IV. PROOF OF TITLE OR OWNERSHIP (ATTACH COPY)

■ Deed/Lease Name: _____ Tel. No.: _____

Date of Responsibility: _____ County Filed: _____

■ Lawyer's Letter

Name: _____ Tel. No.: _____

■ Business Certificate/Corporate Documents

Name: _____ Tel. No.: _____

Date of Responsibility: _____ County Filed: _____

V. CUSTOMER CERTIFICATION OF APPLICATION

I/we agree to pay for service supplied to the premises applied for in this application at the rates, charges and terms in accordance with the provisions of the National Grid Tariff, and any applicable law, regulation or ordinance. To the best of my/our knowledge, the information provided here is accurate and no attempt has been made to misrepresent the facts.



Application submitted by:

Print Name: _____

Full Signature: _____

Relationship to person responsible for account:

☐ Same

☐ Third Party (Specify) _____

Date this application was made: _____

– FOR COMPANY USE ONLY –

Representative: _____ Emp. No.: _____

Customer Office: _____

Account No.: _____

Rate/SA: _____

Customer ID # _____

Deposit Info

Amount \$: _____ Certificate No.: _____

Waived-Supervisor

Signature: _____

Reason: _____

Application for Interruptible Service

The undersigned
customer (Individual/Corporation) _____
is requesting temperature controlled service at _____
which is described as _____
under the terms and conditions applicable to interruptible gas service set forth by the Public Service
Commission under the following Service Classifications.

The undersigned hereby agrees subject to all terms and conditions to use the gas purchased hereunder
only in the operation of the following equipment which is in regular use, and has an input capacity of
_____ MMBTU's (DTH) per hour, and not to use in such specified equipment
any gas purchased from the Company other than gas purchased under this Service Classification.

Commercial 6C
P.S.C. No. 12 Gas
Leaf No's 196 thru 205

SC 6C1 _____
SC 6C2 _____

6C1/6G1 - less than 10,000dth annually
6C2/6G2 - greater than or = to 10,000dth annually

Government 6G
P.S.C. No. 12 Gas
Leaf No's 206 thru 215

SC 6G1 _____
SC 6G2 _____

Multifamily 6M
P.S.C. No. 12 Gas
Leaf No's 216 thru 227

SC 6M1 _____ less than 3,500dth annually
SC 6M2 _____ 3,500dth up to 9,999dth
SC 6M3 _____ 9,000dth up to 25,999dth
SC 6M4 _____ 25,000dth + annually

SC 5A - Large Volume Service - Leaf No. 174 thru 195 _____

To pay for such service at the applicable rates of the above designated service classification and any
amendments, thereof, in effect and on file with the Public Service Commission.

To comply with the rule and regulations set forth in the Rules, Regulations, and General Information
for Gas Service, P.S.C. No. 12 Gas and any amendments thereof, in effect and on file with the Public
Service Commission.

This service shall be terminable by either party after one year from the commencement of service on
six months written notice to the other, or terminable in the manner provided by law, and the rules and
regulations set forth in the Rules, Regulations, and General Information for Gas Service P.S.C. No. 12
Gas, and any amendments thereof, in effect and on file with Public Service Commission.

Accepted by KeySpan Energy Delivery

Signature _____

Print Name _____

Title _____

Accepted by Customer

Signature _____

Print Name _____

Title _____

KEYSPAN ENERGY DELIVERY
SERVICE CLASSIFICATION NO. 4
LARGE VOLUME INTERRUPTIBLE GAS SERVICE AGREEMENT

The undersigned, hereafter referred to as the customer, requests that KEYSAPN ENERGY DELIVERY hereafter referred to as KEYSPAN, supply natural gas under the provisions of Service Classification No. 4 to its premises located at the service address listed below.

Business Name: _____ Account # _____

Company or
Corporation Name: _____ Telephone # _____

Service Address: _____ Zip: _____

Mailing Address: _____ Zip: _____

Service Classification No. _____ Grid # _____

The customer agrees that gas supplied under this Service Classification will be separately metered and will not be substituted or used interchangeably with service furnished under any other classification, and will be used only in the operation of the following equipment:

<u>Type Equipment</u> <u>Including Controller</u> <u>If Applicable</u>	<u>Manufacturer</u>	<u>Model</u>	<u>BTUH Input Rating</u>
1. _____	_____	_____	_____
2. _____	_____	_____	_____
3. _____	_____	_____	_____

(Additional Equipment Yes _____ No _____ if yes, how many _____. List on separate sheet)

The appropriate tariff leaves of PSC No. 4 rules, regulations and rates for gas service are attached and made a part of this contract. The customer, as a condition to receive this gas service, agrees to pay the rates set forth in the tariff and to comply with all of the rules, regulations and provisions of the tariff that are applicable to the appropriate Service Classification whether or not attached hereto. The customer understands that revisions to the tariff may be filed with the New York State Public Service Commission from time to time which will become part of this agreement and will be binding between the customer and KEYSPAN.

KEYSPAN offers the customer the following two options with respect to the investment required to attach to the system. The customer will select an option by placing a check mark in the appropriate box. The customer agrees to comply with the conditions contained in the option it selects.

_____ 1. The attachment cost shall be paid by the customer prior to construction.

_____ 2. KEYSPAN will allow the customer a credit toward the total attachment cost of \$

Application and Contract (Continued):

- (2)(a) The credit allowed is \$_____ based on an estimate of revenue from the customer for the first two years of service. This credit will be equal to an estimate of sales for the first twenty-four months of service times the current three month average excess revenue.
- (3) Excess attachment cost is \$_____ which is equal to (2) minus (2)(a).
 - a) The Customer must pay for the excess attachment cost shown in (3) above prior to construction.
 - b) The customer will be required to provide a five year surety bond or other security satisfactory to KEYSPAN for the amount of the credit allowed in 2(a) above provided by KEYSPAN. If at anytime during the first five years the customer's excess consumption revenues are sufficient to meet the credit allowed, referred to as the "revenue requirement," the bond obligation shall be void. If the customer's excess revenues are not sufficient after the first five years to meet the revenue requirement, the customer forfeits a portion of the bond as detailed in the tariff.

The customer must install required house piping to the meter outlet, where appropriate, to the point of connection to the service line. The customer shall execute and deliver to KEYSPAN permanent easements or such other rights-of-way as KEYSPAN may require to install and maintain the necessary mains, service lines, service connections and appurtenant facilities. The easements or rights-of-way delivered to KEYSPAN shall be obtained at the customer's expense. KEYSPAN shall not be obligated to commence work under this Agreement until KEYSPAN has received either satisfactory permanent easements or rights-of-way or the customer's authorization to obtain such easements or rights-of-way on the customer's behalf and at the customer's expense.

Whenever a customer is connected to a main extension for which KEYSPAN received a customer contribution(s) within the previous five years, the new customer shall pay a share of the facilities costs. The original customer(s) who contributed to the main extension will be entitled to a refund. The refund shall be reasonably allocated among the original customer(s) in proportion to the length of main used by each customer served from the main extension in accordance with the tariff provisions. Whenever more than one customer is connected to a main extension for which KEYSPAN receives a customer contribution(s), all customer contributions shall be adjusted as to yield to KEYSPAN not more than the cost applicable to said extension from all the customers served from the main extension.

For gas consumed in violation of this Service Classification without the express written authorization of the Company, an additional charge of nine (9) times either (1) the sum of the Market Price for natural gas delivered to the Company's city gate on the day of violation plus the transportation rate the Customer would be subject to if it was a transportation customer, or (2) the applicable sales rate, whichever is higher. All charges are subject to utility taxes and surcharges. Market Price shall be defined as the city gate delivered market price for natural gas on the days of interruption as quoted by "Gas Daily". Where a condition is experienced by the consumer which prevents the required transfer from gas, the customer agrees to immediately notify the company

and to take immediate action to correct such condition, and to notify the company when such condition has been corrected.

The imposition of such additional charge shall not limit any rights of the Company to terminate gas service pursuant to any provision of the Company's Rate Schedule or otherwise. In the event that the Company finds that gas is being consumed in violation of this service Classification and also finds that the interruption thereof would create a danger or threat to health or safety, the Company shall have the option not to interrupt the consumer's gas service and such consumer will be charged the additional charge for such consumption as provided herein.

Customers shall provide a listing of 3 individuals authorized by the customer, who will be available 24 hours, 7 days a week and who are responsible for implementing fuel change over on 4 hour notice. This list is attached and must be updated by the customer whenever a change of personnel occurs. KEYSPAN will interrupt deliveries of gas to any or all customers taking service under this Service Classification No. 3 whenever and to the extent that it may be advisable in KEYSPAN's judgement.

Customers who are members of energy cooperatives are responsible for identifying themselves to the Company. These Customers are required to provide annually pertinent information required by the Company to certify their cooperative status.

This Agreement shall inure to the benefit of and bind the successors and assigns of the parties hereto.

ACCEPTED BY: Customer

ACCEPTED BY: KeySpan Energy Delivery

SIGNATURE: _____

SIGNATURE: _____

NAME PRINTED: _____

NAME PRINTED: _____

TITLE: _____

TITLE: _____

DATE: _____

DATE: _____

TO: KEYSpan ENERGY DELIVERY

TELEPHONE CALL LIST FOR INTERRUPTIBLE LARGE VOLUME GAS SERVICE
CLASSIFICATION

Account No.

Company Name

Address

Town

The following are authorized to be notified for gas interruption.

#1 Name

Title

Telephone Bus. #

Home #

#2 Name

Title

Telephone Bus. #

Home #

#3 Name

Title

Telephone Bus. #

Home #

Signed: _____

Title:

KEYSPAN ENERGY DELIVERY
Service Classification No. 12
Temperature-Controlled Service - Non-Residential Service Agreement

To KeySpan Energy Delivery:

_____ (Customer) requests that KeySpan Energy Deliver supply natural gas under the provisions of Service Classification No. 12 to its premises located at the service address listed below

Business Name: _____ Account # _____

Company or
Corporation Name: _____ Telephone # _____

Service Address: _____ Zip: _____

Mailing Address: _____ Zip: _____

Grid # _____

Contact Name for Notification of Interruption: _____

Telephone No. _____ Pager No. _____

PBT Exempt : Yes _____ No _____ Billing Start Date See Note

1 _____

Check off applicable rate below:

Rate 1 - 330 _____
(between 2,000 Dth and 5,000 Dth annually)

Rate 2 - 331 _____
(excess of 5,000 Dth annually)

Rate 3 - 332 _____
(negotiated contract - annual usage exceeds 100,000 Dth)

Customer understands and agrees as follows:

- i. To pay for such service at the applicable rates of the above designated service classification and any amendments, thereof, in effect and on file with the Public Service Commission.
- ii. To comply with the rules and regulations set forth in the Rules, Regulations and General Information for Gas Service, P.S.C. No. 1 and any amendments thereof, in effect and on file with the Public Service Commission.
- iii. Customer has installed equipment detailed in Attachment A.

GENERAL INFORMATION

This Agreement shall inure to the benefit of and bind the successors and assigns of the parties hereto.

ACCEPTED:

Customer

By:_____

Title:_____

Date:_____

KeySpan Energy Delivery

By:_____

Title:_____

Date:_____

Instructions

- * Customer should read this Service Agreement and Service Classification No. 12 before executing this Agreement. (See Attachment)

Note 1: The billing start date will be effective upon Keyspan Energy Delivery's acceptance of the implementation of the Service Classification No. 12 requirements and Specification TC 2000 requirements.

GENERAL INFORMATION

Attachment A

	<u>Type Equipment Including Controller, If Applicable</u>	<u>Manufacturer</u>	<u>Model</u>	<u>BTUH Input Rating</u>	<u>Maximum Hourly</u>
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____
5.	_____	_____	_____	_____	_____
6.	_____	_____	_____	_____	_____
7.	_____	_____	_____	_____	_____
8.	_____	_____	_____	_____	_____
9.	_____	_____	_____	_____	_____
10.	_____	_____	_____	_____	_____

PSC NO: 219 GAS
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: 08/01/03

LEAF: 241
 REVISION: 0
 SUPERSEDING REVISION:

**APPLICATION FOR SERVICE UNDER
 SERVICE CLASSIFICATION NO. 9 – TRANSPORTATION SERVICE
 FOR LONG TERM LARGE VOLUME CUSTOMERS
 FORM "T9"**

Date _____, 20 ____

THE UNDERSIGNED, (hereafter called "Customer") hereby requests a gas service proposal from NIAGARA MOHAWK POWER CORPORATION (hereafter called "Company") under Service Classification No. 9 for the _____ (hereafter called "Project") located in City or Village of _____, County of _____. A detailed description of the Project and its requirements are:

1. Customer
 Customer Name: _____
 Business Address: _____
 Street: _____
 Town: _____
 Phone: _____
 Fax: _____

Principal Contact
 Contact: _____
 Phone: _____
 Fax: _____
2. Electric Contract
 Purchasing Utility: _____
 Net Electrical Output: _____
 Term: _____
 Power Purchase Agreement (type): _____
3. Steam Contract
 Steam Host: _____
 Host Facility: _____
 Term: _____
4. Gas Service

Volume Requirements		Dt Hour Peak
		Dt Day Peak
		Dt Day Average
		Dt Annual Peak
		Dt Annual Average
Pressure Requested		psig
Minimum Required		psig

Issued By: William F. Edwards, President, Syracuse, New York

PSC NO: 219 GAS
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: 08/01/03

LEAF: 242
REVISION: 0
SUPERSEDING REVISION:

**APPLICATION FOR SERVICE UNDER
SERVICE CLASSIFICATION NO. 9 – TRANSPORTATION SERVICE
FOR LONG TERM LARGE VOLUME CUSTOMERS
FORM "T9" (CONTINUED)**

Load Factor

Availability Hours (% of 8760)	_____	
Operating Hours (% of 8760)	_____	
Alternate Fuel		
On Site Storage Capacity	_____	
Test Gas Date	_____	
Operation Date	_____	
Peak Shaving Availability	_____	Dt/Day
Nov. 1 to Apr. 16	_____	Number of Days

The Customer agrees to provide a plot plan depicting the location of metering facilities.

If terms and conditions are mutually agreed upon, then customer will enter into an Agreement with the Company under Service Classification No. 9.

Customer Name

Customer Signature

Title

Date

Acknowledgment:

NIAGARA MOHAWK POWER CORPORATION

By: _____

Date: _____

Issued By: William F. Edwards, President, Syracuse, New York

Exhibit C

Question No. 7: Penalty Billing for Failure to Interrupt

KEDLI

January 4, 2012	Penalty
December 8, 2011	Test Penalty
December 9, 2010	Test Penalty

KEDLI Penalty for January 4, 2012 Billing Period

Customer	Penalty Charge	Total Charge
A	\$8.88	\$1,952.64
B	\$8.88	\$1,331.34
C	\$8.88	\$1,641.99
D	\$8.88	\$1,349.09
E	\$8.88	\$2,023.64
F	\$8.88	\$1,207.08
G	\$8.88	\$3,150.84
H	\$8.88	\$2,130.15
I	\$8.88	\$887.56
J	\$8.88	\$1,881.63
K	\$8.88	\$630.17
L	\$8.88	\$559.16
M	\$8.88	\$559.16
N	\$8.88	\$1,544.36
O	\$8.88	\$443.78
P	\$8.88	\$479.28
Q	\$8.88	\$976.32
R	\$8.88	\$621.29
S	\$8.88	\$656.80
T	\$8.88	\$488.16
U	\$8.88	\$372.78
V	\$8.88	\$461.53
W	\$8.88	\$1,215.96
Z	\$8.88	\$2,485.17
AA	\$8.88	\$2,272.16
25		\$31,322.04

KEDLI Test Penalty for December 8, 2011 Billing Period

Customer	Rate Code	Penalty Charge	Total Charge
A	310	\$8.79	\$960.35
B	310	\$8.79	\$418.28
C	310	\$8.79	\$275.89
D	311	\$8.79	\$2,502.21
E	311	\$8.79	\$488.10
F	311	\$8.79	\$290.01
G	320	\$8.79	\$1,251.10
H	320	\$8.79	\$1,032.35
I	320	\$8.79	\$2,431.72
J	331	\$8.70	\$1,962.09
K	331	\$8.70	\$1,465.03
L	330	\$8.70	\$748.72
M	331	\$8.70	\$287.77
N	330	\$8.70	\$176.17
O	331	\$8.70	\$105.70
15			\$14,395.50

KEDLI Test Penalty for December 9, 2010 Billing Period

Customer	Rate Code	Penalty Charge	Total Charge
A	331	\$9.07	\$1,036.73
B	331	\$9.07	\$63.58
C	331	\$9.07	\$953.70
D	330	\$9.07	\$272.49
4			\$2,326.50

KEDNY

January 4, 2012	Penalty
December 2011	Non-Compliance
December 13, 2011	Test Penalty
March 2011	Non-Compliance
February 2011	Non-Compliance
January 2011	Non-Compliance
December 2010	Non-Compliance
December 7, 2010	Test Penalty
November 9, 2010	Pre-Test Penalty
May 2010	Non-Compliance
April 2010	Non-Compliance
March 2010	Non-Compliance
February 2010	Non-Compliance
January 2010	Non-Compliance
December 2009	Non-Compliance
November 10, 2009	Test Penalty

KEDNY Penalty for January 4, 2012 Billing Period

Customer	Service Classification	Penalty Charge	Total Charge	
A	6M2	\$8.86		To Be Determined
B	6M1	\$8.86		To Be Determined
C	6M2	\$8.86	\$1,779.71	
D	6M2	\$8.86	\$484.23	
E	6G2	\$8.86	\$8,114.86	
F	6C1E	\$8.86	\$1,096.37	
G	6G2	\$8.86	\$16,445.59	
H	6C1	\$8.86	\$1,516.65	
I	6M3	\$8.86	\$666.51	
J	6M2	\$8.86	\$1,333.01	
K	6M2	\$8.86		To Be Determined
L	T6M2	\$8.86	\$1,104.76	
M	6G1	\$8.86	\$756.74	
N	T6C2	\$8.86	\$648.94	
O	6M1	\$8.86	\$894.76	
P	6G2	\$8.86	\$1,974.05	
Q	6M2	\$8.86	\$365.21	
R	T6M3	\$8.86	\$2,329.79	
S	6M2	\$8.86	\$1,095.63	
T	6M3B	\$8.86	\$1,462.40	
U	6M3	\$8.86	\$1,699.38	
V	6M2	\$8.86	\$867.37	
W	6M2	\$8.86	\$502.16	
X	6M2	\$8.86	\$465.64	
Y	6C2E	\$8.86	\$26,477.69	
Z	6M4	\$8.86	\$8,427.21	
AA	6M1	\$8.86	\$465.64	
BB	6M3	\$8.86	\$2,465.16	
CC	T6M2	\$8.86	\$1,513.49	
DD	6M2	\$8.86	\$1,305.62	
EE	T6C2	\$8.86	\$22,440.07	
31			\$108,698.65	

KEDNY Non-Compliance Charges for December 2011 Billing Period

Customer	Service Classification	Billing Period	Non-Compliance Charge	Total Charge
A	6M2	11/23-12/22/11	\$1.37	\$7,287.81
B	6M1	11/23-12/23/11	\$1.36	\$3,095.46
C	6M2	11/23-12/20/11	\$1.37	\$6,877.25
D	T6M2	11/23-12/23/11	\$0.16	\$888.58
E	6M2	11/23-12/23/11	\$1.37	\$6,538.54
F	6M2	11/23-12/23/11	\$1.36	\$4,338.83
G	T6M1	11/23-12/23/11	\$0.16	\$312.15
H	6M1	11/23-12/16/11	\$1.37	\$3,140.86
I	6M3	11/23-12/23/11	\$1.36	\$15,325.79
J	T6M2	11/23-12/23/11	\$0.16	\$1,054.27
K	6M1	11/23-12/23/11	\$1.36	\$4,306.39
L	6C2	11/23-12/23/11	\$1.38	\$16,041.99
M	6G1	11/23-12/23/11	\$1.38	\$547.37
N	6C1	11/23-12/23/11	\$1.38	\$5,959.86
O	6M1	11/23-12/23/11	\$1.37	\$3,011.72
P	T6M1	11/23-12/23/11	\$0.16	\$1,338.73
Q	6G2	11/23-12/23/11	\$1.38	\$54,513.70
R	6M3	11/23-12/23/11	\$1.37	\$8,517.26
S	T6M2	11/23-12/23/11	\$0.16	\$2,611.59
T	6M1	11/23-12/23/11	\$1.37	\$3,902.65
U	6C1	11/23-12/23/11	\$1.38	\$5,344.72
V	6M1	11/23-12/23/11	\$1.36	\$3,767.23
W	6M3	11/23-12/23/11	\$1.36	\$12,194.37
X	6M2	11/23-12/23/11	\$1.36	\$4,717.23
Y	6M2	11/23-12/23/11	\$1.37	\$8,941.01
Z	6M3A	11/23-12/23/11	\$1.52	\$7,719.27
AA	6C1	11/23-12/23/11	\$1.38	\$2,898.99
BB	6C1	11/23-12/23/11	\$1.38	\$1,574.88
CC	6G2	12/1-12/22/11	\$1.38	\$106,834.54
DD	6M3	11/23-12/23/11	\$1.37	\$6,937.13
EE	6M3	11/23-12/23/11	\$1.37	\$11,582.36
FF	6C2E	11/23-12/23/11	\$1.38	\$155,149.30
GG	6C2	11/23-12/23/11	\$1.38	\$93,166.87
HH	6G1	11/22-12/22/11	\$1.38	\$9,833.07
II	6G1	11/22-12/22/11	\$1.38	\$3,937.08
JJ	T6C2			
KK	6M2	11/23-12/23/11	\$1.36	\$4,542.52
LL	6M2	11/23-12/23/11	\$1.36	\$5,213.69
MM	6M2	11/23-12/23/11	\$1.37	\$6,385.73
NN	6M4	11/23-12/23/11	\$1.36	\$72,142.54
OO	6M3	11/23-12/15/11	\$1.37	\$13,276.28
PP	6M1	11/23-12/23/11	\$1.36	\$1,850.18

December bill has not been rendered yet

KEDNY Test Penalty for December 13, 2011

Customer	Service Classification	Penalty Charge	Total Charge
A	6M2	\$8.90	\$820.97
B	6M1	\$8.90	\$231.95
C	6M2	\$8.90	\$120.57
D	T6M2	\$8.90	\$565.56
E	6M2	\$8.90	\$428.73
F	6M2	\$8.90	\$428.90
G	T6M1	\$8.90	\$145.95
H	6M1	\$8.90	\$640.03
I	6M3	\$8.90	\$412.13
J	T6M2	\$8.90	\$118.92
K	6M1	\$8.90	\$684.14
L	6C2	\$8.90	\$912.21
M	6G1	\$8.90	\$355.75
N	6C1	\$8.90	\$301.02
O	6M1	\$8.90	\$237.17
P	T6M1	\$8.90	\$241.13
Q	6G2	\$8.90	\$1,825.09
R	6M3	\$8.90	\$511.03
S	T6M2	\$8.90	\$881.40
T	6M1	\$8.90	\$310.14
U	6C1	\$8.90	\$492.58
V	6M1	\$8.90	\$383.27
W	6M3	\$8.90	\$91.22
X	6M2	\$8.90	\$319.27
Y	6M2	\$8.90	\$209.80
Z	6M3A	\$8.90	\$566.53
AA	6C1	\$8.90	\$521.17
BB	6C1	\$8.90	\$547.31
CC	6G2	\$8.90	\$2,193.95
DD	6M3	\$8.90	\$91.25
EE	6M3	\$8.90	\$903.07
FF	6C2E	\$8.90	\$10,946.28
GG	6C2	\$8.90	\$191.60
HH	6G1	\$8.90	\$680.43
II	6G1	\$8.90	\$72.98
JJ	6M3	\$8.90	\$555.63
KK	T6C2	\$8.90	\$1,547.24
LL	6M2	\$8.90	\$282.78
MM	6M2	\$8.90	\$155.07
NN	6M2	\$8.90	\$492.58
OO	6M4	\$8.90	\$3,302.13
PP	6M3	\$8.90	\$1,094.63
QQ	6M1	\$8.90	\$73.00
43			\$35,886.57

KEDNY Non-Compliance Charges for March 2011 Billing Period

Customer	Service Classification	Billing Period	Non-Compliance Charge	Total Charge
A	6C1E	02/23/2011-03/25/2011	\$2.04	\$17,033.60
B	6M2	02/23/2011-03/25/2011	\$2.03	\$6,318.38
C	6G2	02/22/2011-03/04/2011	\$2.04	\$131,185.69
D	T6C2	02/23/2011-03/25/2011	\$0.15	\$1,441.90
E	T6C2P	02/23/2011-03/25/2011	\$0.15	\$700.81
F	6M2	02/23/2011-03/25/2011	\$2.01	\$13,134.75
G	6C1	02/23/2011-03/09/2011	\$2.04	\$11,486.18
7				\$181,301.31

KEDNY Non-Compliance Charges for February 2011 Billing Period

Customer	Service Classification	Billing Period	Non-Compliance Charge	Total Charge
A	6M2	01/25/2011-02/23/2011	\$1.78	\$16,849.29
B	6C1E	01/25/2011-02/23/2011	\$1.79	\$16,347.37
C	T6M2	01/25/2011-02/23/2011	\$0.15	\$704.84
D	6M2(chg)	01/31/2011-02/23/2011	\$1.78	\$5,975.22
E	6G2	01/24/2011-02/23/2011	\$1.79	\$359,333.07
F	T6C2	01/25/2011-02/23/2011	\$0.15	\$1,559.51
G	T6M2	01/25/2011-02/23/2011	\$0.15	\$700.80
H	T6M2	01/25/2011-02/23/2011	\$0.15	\$811.45
I	T6C2P	01/25/2011-02/23/2011	\$0.15	\$1,949.24
J	6C1	01/25/2011-02/23/2011	\$1.79	\$23,514.19
K	6M2	01/25/2011-02/23/2011	\$1.78	\$14,191.40
L	6M2	01/25/2011-02/10/2011	\$1.78	\$7,391.91
M	6M2	01/25/2011-02/13/2011	\$1.78	\$9,752.70

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\$459,080.98

KEDNY Non-Compliance Charges for January 2011 Billing Period

Customer	Service Classification	Billing Period	Non-Compliance Charge	Total Charge
A	6M2	12/23/2010-01/25/2011	\$1.65	\$13,677.50
B	6M2	12/23/2010-01/25/2011	\$1.65	\$27,041.55
C	6C1E	12/23/2010-01/25/2011	\$1.66	\$16,392.97
D	6M2	12/23/2010-01/25/2011	\$1.65	\$15,597.72
E	T6M2	12/23/2010-01/25/2011	\$0.15	\$836.17
F	T6M2	12/23/2010-01/25/2011	\$0.15	\$789.87
G	6G2	12/22/2010-01/24/2011	\$1.66	\$385,283.05
H	T6C2	12/31/2010-01/25/2011	\$0.15	\$1,260.00
I	T6M2	12/23/2010-01/25/2011	\$0.15	\$897.71
J	T6M2	12/23/2010-01/25/2011	\$0.15	\$699.50
K	T6C2P	12/23/2010-01/25/2011	\$0.15	\$2,584.86
L	6C1	12/23/2010-01/25/2011	\$1.66	\$24,506.47
M	6M2	12/23/2010-01/25/2011	\$1.65	\$14,289.53
N	6M3	12/23/2010-01/03/2011	\$1.65	\$7,115.22
O	6G2	12/23/2010-01/09/2011	\$1.66	\$158,042.91
P	6M3	12/23/2010-01/07/2011	\$1.65	\$13,828.52
Q	6M2	12/23/2010-01/21/2011	\$1.65	\$19,463.22
17				\$702,306.77

KEDNY Non-Compliance Charges for December 2010 Billing Period

Customer	Service Classification	Billing Period	Non-Compliance Charge	Total Charge
A	6M2	11/23/2010-12/23/2010	\$1.34	\$7,950.30
B	6M2	11/23/2010-12/23/2010	\$1.34	\$3,347.20
C	6M2	11/23/2010-12/23/2010	\$1.34	\$17,104.96
D	6C1E	11/23/2010-12/23/2010	\$1.35	\$8,457.40
E	6G2	11/22/2010-12/20/2010	\$1.35	\$14,617.11
F	6M2	11/23/2010-12/23/2010	\$1.34	\$10,213.69
G	6M3	11/23/2010-12/23/2010	\$1.34	\$16,893.03
H	6M1	11/23/2010-12/23/2010	\$1.34	\$4,848.27
I	T6M2	11/23/2010-12/23/2010	\$0.15	\$695.88
J	T6M2	11/23/2010-12/23/2010	\$0.15	\$624.72
K	T6M2	11/23/2010-12/23/2010	\$0.15	\$692.68
L	T6M2	11/23/2010-12/23/2010	\$0.15	\$408.35
M	6G2	11/23/2010-12/23/2010	\$1.35	\$262,338.47
N	6M2	11/23/2010-12/23/2010	\$1.34	\$9,352.27
O	6G2	11/23/2010-12/23/2010	\$1.35	\$7,647.05
P	6G2	11/23/2010-12/23/2010	\$1.35	\$34,962.69
Q	6C2	11/23/2010-12/23/2010	\$1.35	\$19,148.91
R	6G1	11/22/2010-12/20/2010	\$1.35	\$1,447.86
S	6M2	11/23/2010-12/23/2010	\$1.34	\$12,822.62
T	T6C2P	11/23/2010-12/23/2010	\$0.15	\$1,686.74
U	6M3	11/23/2010-12/23/2010	\$1.34	\$11,271.12
V	6C1	11/23/2010-12/23/2010	\$1.35	\$13,188.86
W	6G2	11/23/2010-12/23/2010	\$1.35	\$232,629.29
23				\$692,349.49

KEDNY Test Penalty for December 7, 2010

Customer	Service Classification	Penalty Charge	Total Charge
A	6M2	\$9.29	\$202.50
B	6M2	\$9.29	\$673.40
C	6M1	\$9.29	\$417.32
D	6M2	\$9.29	\$129.50
E	6M3	\$9.29	\$265.85
F	6C1E	\$9.29	\$379.38
G	6G2	\$9.29	\$69.72
H	6M1	\$9.29	\$417.32
I	6M2	\$9.29	\$275.05
J	6M2	\$9.29	\$161.24
K	6M2	\$9.29	\$758.84
L	6M1	\$9.29	\$360.45
M	6M1	\$9.29	\$379.38
N	6M3	\$9.29	\$221.81
O	6C1	\$9.29	\$1,289.90
P	6G3E	\$9.29	\$8,080.82
Q	T6M2	\$9.29	\$464.74
R	T6M2	\$9.29	\$231.43
S	6C1	\$9.29	\$379.38
T	6C2	\$9.29	\$1,242.47
U	6G2	\$9.29	\$20,765.02
V	6G2	\$9.29	\$1,417.51
W	6G2	\$9.29	\$704.69
X	6G2	\$9.29	\$868.80
Y	6C2	\$9.29	\$277.79
Z	6M4	\$9.29	\$2,542.10
AA	6G1	\$9.29	\$474.18
BB	6M2	\$9.29	\$1,105.63
CC	6G2	\$9.29	\$949.48
DD	6G3F	\$9.29	\$569.02
EE	T6M2	\$9.29	\$521.65
FF	T6M2	\$9.29	\$294.02
GG	6M1	\$9.29	\$85.37
HH	T6C2P	\$9.29	\$1,024.43
II	6M3	\$9.29	\$788.06
JJ	6C1	\$9.29	\$237.11
KK	6M4	\$9.29	\$4,049.90
LL	6G2	\$9.29	\$4,742.73
MM	6M1	\$9.29	\$313.36
NN	6M2	\$9.29	\$1,090.72
OO	6M3	\$9.29	\$1,037.02
PP	6M2	\$9.29	\$626.85
42			\$60,885.95

KEDNY Pre-Test Penalty for November 9, 2010

Customer	Service Classification	Penalty Charge	Total Charge
A	6C1	\$1.37	\$910.45
B	6M4	\$1.36	\$9,307.15
C	T6M2	\$0.15	\$159.16
D	T6M2	\$0.15	\$237.32
E	T6M2	\$0.15	\$231.54
F	T6M2	\$0.15	\$214.83
6			\$11,060.46

KEDNY Non-Compliance Charges for May 2010 Billing Period

Customer	Service Classification	Billing Period	Non-Compliance Charge	Total Charge
A	6C1	4/27/10-5/25/10	\$1.28	\$401.43
B	6M4	4/27/10-5/25/10	\$1.26	\$8,402.95
C	6G1	4/27/10-5/25/10	\$1.28	\$521.34
D	6G1	4/27/10-5/25/10	\$1.28	\$1,313.49
E	6G1	4/27/10-5/25/10	\$1.28	\$1,215.26
F	6G2	4/27/10-5/25/10	\$1.28	\$2,748.54
G	6G2	4/27/10-5/25/10	\$1.28	\$1,725.50
H	T6M2	4/27/10-5/25/10	\$0.16	\$161.83
I	6M2	4/27/10-5/13/10	\$1.26	\$1,555.55
J	6M2	4/27/10-5/21/10	\$1.26	\$2,399.39
K	6M2	4/27/10-5/13/10	\$1.26	\$1,329.81
11				\$21,775.09

KEDNY Non-Compliance Charges for April 2010 Billing Period

Customer	Service Classification	Billing Period	Non-Compliance Charge	Total Charge
A	6G1	3/26/10-4/27/10	\$1.16	\$3,831.50
B	6C1	3/26/10-4/27/10	\$1.17	\$714.05
C	6M4	3/26/10-4/27/10	\$1.16	\$15,656.12
D	6M1	3/26/10-4/27/10	\$1.15	\$497.95
E	6M2	3/26/10-4/27/10	\$1.15	\$3,845.76
F	6G1	3/26/10-4/27/10	\$1.16	\$2,054.11
G	6G1	3/26/10-4/27/10	\$1.16	\$1,819.36
H	6G1	3/26/10-4/27/10	\$1.16	\$1,890.07
I	6G2	3/26/10-4/27/10	\$1.16	\$8,839.87
J	6G2	3/26/10-4/27/10	\$1.16	\$2,838.15
K	T6M2	3/26/10-4/27/10	\$0.16	\$296.45
L	6M2	3/26/10-4/15/10	\$1.12	\$5,847.08
M	6M1	3/26/10-4/22/10	\$1.12	\$1,682.20
N	6C1	3/26/10-4/8/10	\$1.12	\$1,402.62
O	6M3	3/26/10-4/21/10	\$1.12	\$5,524.99
P	6M2	3/26/10-4/27/10	\$1.15	\$3,104.60
Q	6M2	3/26/10-4/27/10	\$1.15	\$3,664.19

17

\$63,509.08

KEDNY Non-Compliance Charges for March 2010 Billing Period

Customer	Service Classification	Billing Period	Non-Compliance Charge	Total Charge
A	6M3	2/26/10-3/26/10	\$1.06	\$7,886.21
B	6M2	2/26/10-3/26/10	\$1.06	\$4,994.84
C	6M2	2/26/10-3/26/10	\$1.06	\$3,260.70
D	6M1	2/26/10-3/26/10	\$1.06	\$1,094.09
E	6M4	2/26/10-3/26/10	\$1.06	\$19,917.01
F	6M1	2/26/10-3/26/10	\$1.06	\$3,023.36
G	6G1	2/26/10-3/26/10	\$1.07	\$10,549.62
H	6G2	2/26/10-3/26/10	\$1.07	\$45,917.19
I	6C1	2/26/10-3/26/10	\$1.07	\$4,928.18
J	6C1	2/26/10-3/26/10	\$1.07	\$3,870.13
K	6M2	2/26/10-3/26/10	\$1.06	\$10,807.40
L	6M2	2/26/10-3/26/10	\$1.03	\$6,121.00
M	T6M2	2/26/10-3/26/10	\$0.16	\$448.43
N	T6M3	2/26/10-3/26/10	\$0.16	\$926.82
O	T6M3	2/26/10-3/26/10	\$0.16	\$829.82
P	T6M2	2/26/10-3/26/10	\$0.16	\$553.24
Q	6M1	2/26/10-3/19/10	\$1.03	\$2,462.95
R	6M1	2/26/10-3/22/10	\$1.03	\$2,289.99
S	T6M1	2/26/10-3/23/10	\$0.16	\$734.53
T	6G1	2/26/10-3/26/10	\$1.07	\$3,330.90
U	6G1	2/26/10-3/26/10	\$1.07	\$3,996.08
V	6G1	2/26/10-3/26/10	\$1.07	\$4,331.34
W	6G2	3/1/10-3/26/10	\$1.07	\$12,969.25
23				\$155,243.10

KEDNY Non-Compliance Charges for February 2010 Billing Period

Customer	Service Classification	Billing Period	Non-Compliance Charge	Total Charge
A	6M3	1/28/10-2/26/10	\$0.96	\$5,832.61
B	6G1	1/28/10-2/26/10	\$0.97	\$5,314.37
C	6G1	1/28/10-2/26/10	\$0.97	\$8,664.41
D	6G1	1/28/10-2/26/10	\$0.97	\$12,854.38
E	6G2	1/28/10-2/10/10	\$0.97	\$6,520.53
F	6G1	1/28/10-2/26/10	\$0.97	\$5,929.29
G	6G2	1/28/10-2/26/10	\$0.97	\$9,937.89
H	6G2	1/28/10-2/26/10	\$0.97	\$62,342.55
I	6C1	1/28/10-2/26/10	\$0.97	\$5,603.40
J	6M4	1/28/10-2/26/10	\$0.96	\$22,238.17
K	6M1	1/28/10-2/26/10	\$0.96	\$1,830.25
L	6M2	1/28/10-2/26/10	\$0.96	\$15,900.25
M	6M1	1/28/10-2/26/10	\$0.96	\$4,502.77
N	6M1	1/28/10-2/26/10	\$0.96	\$4,547.85
O	6M1	1/28/10-2/26/10	\$0.96	\$4,473.53
P	6M2	1/28/10-2/26/10	\$0.96	\$10,012.33
Q	6M2	1/28/10-2/26/10	\$0.96	\$4,733.45
R	6M3	1/28/10-2/26/10	\$0.96	\$11,644.98
S	6M2	1/28/10-2/26/10	\$0.96	\$7,309.59
T	6C1	1/28/10-2/26/10	\$0.97	\$7,047.58
U	6M1	1/28/10-2/26/10	\$0.96	\$6,174.97
V	6G2	1/28/10-2/26/10	\$0.97	\$18,798.85
W	6G1	1/28/10-2/26/10	\$0.97	\$7,406.45
X	6M2	1/28/10-2/26/10	\$0.96	\$9.88
Y	T6M1	1/28/10-2/26/10	\$0.16	\$1,036.11
Z	T6M2	1/28/10-2/26/10	\$0.16	\$734.96
AA	T6M3	1/28/10-2/26/10	\$0.16	\$1,849.04
BB	T6M3	1/28/10-2/26/10	\$0.16	\$1,381.57
CC	T6M2	1/28/10-2/26/10	\$0.16	\$957.78
DD	6M3	1/28/10-2/8/10	\$0.96	\$5,509.08
EE	6M2	1/28/10-2/8/10	\$0.96	\$3,023.65
FF	6M2	1/28/10-2/8/10	\$0.96	\$3,150.58
GG	6C1	1/28/10-2/8/10	\$0.97	\$504.92
HH	6M1	1/28/10-2/8/10	\$0.96	\$1,094.26
II	6M1	1/28/10-2/1/10	\$0.96	\$377.18
JJ	T6M3	1/28/10-2/8/10	\$0.16	\$1,126.82

KEDNY Non-Compliance Charges for January 2010 Billing Period

Customer	Service Classification	Billing Period	Non-Compliance Charge	Total Charge
A	6M1	12/29/09-1/28/10	\$1.06	\$2,744.12
B	6M2	12/29/09-1/28/10	\$1.06	\$4,659.38
C	6M2	12/29/09-1/20/10	\$1.06	\$10,723.38
D	6M1	12/29/09-1/28/10	\$1.06	\$2,093.83
E	6M2	12/29/09-1/28/10	\$1.06	\$7,388.87
F	6M2	12/29/09-1/28/10	\$1.06	\$8,150.19
G	6M2	12/29/09-1/28/10	\$1.06	\$6,800.23
H	6C1	12/29/09-1/28/10	\$1.07	\$13,692.69
I	6M2	12/29/09-1/28/10	\$1.06	\$6,561.01
J	6C1	12/29/09-1/28/10	\$1.07	\$2,204.05
K	6M1	12/29/09-1/28/10	\$1.06	\$4,656.19
L	6M3	12/29/09-1/28/10	\$1.06	\$22,772.70
M	6M1	12/29/09-1/28/10	\$1.06	\$1,931.83
N	6M2	12/29/09-1/28/10	\$1.06	\$7,264.47
O	6M1	12/29/09-1/28/10	\$1.06	\$5,474.42
P	6G2	12/29/09-1/28/10	\$1.07	\$13,706.65
Q	6M3	12/29/09-1/28/10	\$1.06	\$11,569.74
R	6M4	12/29/09-1/28/10	\$1.06	\$35,938.11
S	6M3	12/29/09-1/28/10	\$1.06	\$23,396.85
T	6M1	12/29/09-1/28/10	\$1.06	\$5,038.50
U	6G1	12/29/09-1/28/10	\$1.07	\$9,846.27
V	6G1	12/29/09-1/28/10	\$1.07	\$8,707.47
W	6G1	12/29/09-1/28/10	\$1.07	\$15,104.33
X	6G2	12/29/09-1/28/10	\$1.07	\$72,365.63
Y	6G1	12/29/09-1/28/10	\$1.07	\$5,454.79
Z	6G1	12/29/09-1/28/10	\$1.07	\$6,226.06
AA	6G2	12/29/09-1/28/10	\$1.07	\$8,781.59
BB	6G2	12/29/09-1/28/10	\$1.07	\$19,502.10
CC	6G2	12/29/09-1/10/10	\$1.07	\$2,218.16
DD	6C1	12/29/09-1/28/10	\$1.07	\$7,863.14
EE	6M1	12/29/09-1/28/10	\$1.06	\$6,699.85
FF	6C1E	12/29/09-1/28/10	\$1.07	\$2,485.70
GG	6C1	12/29/09-1/28/10	\$1.07	\$6,048.82
HH	6M2	12/29/09-1/28/10	\$1.06	\$16,801.20
II	6M2	12/29/09-1/28/10	\$1.06	\$10,961.56
JJ	T6M1	12/29/09-1/28/10	\$0.16	\$706.74
KK	T6M3	12/29/09-1/28/10	\$0.16	\$2,463.32
LL	T6M2	12/29/09-1/28/10	\$0.16	\$693.29
MM	T6M3	12/29/09-1/28/10	\$0.16	\$1,824.62
NN	T6M3	12/29/09-1/28/10	\$0.16	\$1,420.29
OO	T6M2	12/29/09-1/28/10	\$0.16	\$880.19
PP	T6M1	12/29/09-1/28/10	\$0.16	\$1,218.05
42				\$405,040.42

KEDNY Non-Compliance Charges for December 2009 Billing Period

Customer	Service Classification	Billing Period	Non-Compliance Charge	Total Charge
A	6C1	11/25-12/29/09	\$0.98	\$10,192.03
B	6M3	11/25-12/29/09	\$0.97	\$9,465.05
C	6M1	11/25-12/29/09	\$0.97	\$2,264.34
D	6M2	11/25-12/29/09	\$0.97	\$4,368.40
E	6M2	11/25-12/29/09	\$0.97	\$12,181.25
F	6M1	11/25-12/29/09	\$0.97	\$1,759.25
G	6M2	11/25-12/29/09	\$0.97	\$6,910.40
H	T6M1	11/25-12/29/09	\$0.16	\$647.30
I	6M2	11/25-12/29/09	\$0.97	\$6,943.49
J	6M2	11/25-12/29/09	\$0.97	\$7,598.45
K	6C1	11/25-12/29/09	\$0.98	\$12,413.14
L	6M2	11/25-12/29/09	\$0.97	\$5,176.16
M	6C1	11/25-12/29/09	\$0.98	\$785.02
N	6M1	11/25-12/29/09	\$0.97	\$4,578.61
O	6M3	11/25-12/29/09	\$0.97	\$17,395.66
P	6G1	11/25-12/29/09	\$0.98	\$4,541.82
Q	6M1	11/25-12/29/09	\$0.97	\$1,659.99
R	6M2	11/25-12/29/09	\$0.97	\$6,410.18
S	6M1	11/25-12/29/09	\$0.97	\$4,175.71
T	6G2	11/25-12/29/09	\$0.98	\$11,490.06
U	6M4	11/25-12/29/09	\$0.97	\$22,582.80
V	6M3	11/25-12/29/09	\$0.97	\$18,677.36
W	T6M2	11/25-12/29/09	\$0.16	\$607.55
X	T6M3	11/25-12/29/09	\$0.16	\$1,609.61
Y	T6M3	11/25-12/29/09	\$0.16	\$1,203.52
Z	T6M2	11/25-12/29/09	\$0.16	\$945.54
AA	T6M3	11/25-12/29/09	\$0.16	\$2,113.53
BB	6M1	11/25-12/29/09	\$0.97	\$4,324.61
CC	6G1	11/25-12/29/09	\$0.98	\$9,037.68
DD	6G1	11/25-12/29/09	\$0.98	\$7,612.70
EE	6G1	11/25-12/29/09	\$0.98	\$13,598.98
FF	6G2	11/25-12/29/09	\$0.98	\$53,664.65
GG	6G1	11/25-12/29/09	\$0.98	\$4,622.02
HH	6G1	11/25-12/29/09	\$0.98	\$5,877.73
II	6G2	11/25-12/29/09	\$0.98	\$6,838.22
JJ	6G2	11/25-12/29/09	\$0.98	\$16,074.98
KK	T6M1	11/25-12/29/09	\$0.16	\$736.84
LL	T6M1	11/25-12/29/09	\$0.16	\$1,190.92
MM	6G2	11/25-12/29/09	\$0.98	\$4,412.41
NN	6C1	11/25-12/29/09	\$0.98	\$7,104.91
OO	6M1	11/25-12/29/09	\$0.97	\$5,350.36
PP	6C1E	11/25-12/29/09	\$0.98	\$2,242.47
QQ	6C1	11/25-12/29/09	\$0.98	\$437.63
RR	6G2	11/25-12/29/09	\$0.98	\$201,421.36
SS	6M2	11/25-12/29/09	\$0.97	\$13,307.24
TT	6M1	11/25-12/29/09	\$0.97	\$3,169.42
UU	6M2	11/25-12/29/09	\$0.97	\$9,090.37
47				\$548,811.71

KEDNY Test Penalty Charges for November 10, 2009 Billing Period

Customer	Service Classification	Penalty Charge	Total Charge
A	T6M1	\$10.50	\$2,919.00
B	6G2	\$10.50	\$14,385.00
C	6G2	\$10.50	\$6,300.00
D	6M2	\$10.50	\$7,434.00
E	6M2	\$10.50	\$3,444.00
F	6M2	\$10.50	\$5,239.50
G	6M3	\$10.50	\$13,009.50
H	6G2	\$10.50	\$13,650.00
I	6G2	\$10.50	\$2,415.00
J	6M2	\$10.50	\$5,491.50
K	6M2	\$10.50	\$1,934.10
L	6M3	\$10.50	\$2,037.00
M	6M1	\$10.50	\$829.50
N	6M1	\$10.50	\$178.50
O	6M2	\$10.50	\$9,859.50
P	6C1	\$10.50	\$21,315.00
Q	T6M3	\$10.50	\$21,525.00
R	6C1	\$10.50	\$2,845.50
S	6M1	\$10.50	\$6,121.50
T	6M2	\$10.50	\$6,174.00
U	6M2	\$10.50	\$220.50
V	6C1	\$10.50	\$16,590.00
W	6G1	\$10.50	\$3.36

23**\$163,920.96**

Exhibit C, cont.: Response to Question #7

KEDLI & KEDNY Penalty Billing for Balancing OFOs

Date of OFO	Customer A	Customer B	Customer C	Customer D	Customer E	Customer F	Customer H
1/11/09 to 1/13/09	X	\$16,801.20	X	\$16,863.39	X	\$28,104.97	\$74,570.50
1/24/09 to 1/26/09	X	X	X	X	X	X	X
1/5/10 to 1/11/10	\$ 11,032.11	\$1,113.33	\$ 19,633.19	X	X	\$ 6,564.67	X
1/29/10 to 2/1/10	X	X	X	X	X	X	X
2/6/10 to 2/8/10	X	X	X	X	X	X	X
1/13/11 to 1/18/11	X	X	X	X	\$10,287.00	X	X
1/21/11 to 1/25/11	X	X	X	X	X	X	X
2/3/11 to 2/4/11	X	X	X	X	X	X	X
2/9/11 to 2/11/11	X	X	X	X	X	X	X
Total	\$ 11,032.11	\$ 17,914.53	\$ 19,633.19	\$ 16,863.39	\$ 10,287.00	\$ 34,669.64	\$ 74,570.50